

February 14, 2007

Secretary Bodman Signs Record of Decision on New SPR Site

Richton, Mississippi Selected for Petroleum Reserve Expansion

HATTIESBURG, MS - U.S. Secretary of Energy Samuel W. Bodman today announced that Richton, MS, will be the site for the expansion of the U.S. Strategic Petroleum Reserve (SPR). The announcement came during remarks at a signing ceremony at the University of Southern Mississippi's Thad Cochran Center. He was accompanied by Mississippi Governor Haley Barbour and Richton Mayor Jimmy White.

"The Strategic Petroleum Reserve is a national asset intended to protect the U.S. against severe supply disruptions that could harm our economy and threaten our national security", said Secretary Bodman. "Today's designation of Richton, MS, as the home of the fifth site of our nation's Strategic Petroleum Reserve will make America stronger, and make her a more secure and prosperous nation."

The other four SPR sites, two in Louisiana and two in Texas, are situated along the Gulf coast. As an inland site, Richton will have less vulnerability to hurricane impacts and will be connected by pipeline to the Capline pipeline system and to refiners and marine facilities in Pascagoula for oil distribution. This new site, coupled with additional storage at the existing four SPR sites, will ensure an adequate crude oil emergency reserve.

"This project will be an enormous economic boost for south Mississippi and will propel our state into the forefront in protecting and preserving vital national energy resources. I am delighted with this decision by Secretary Bodman and the Department of Energy," Governor Barbour said.

The SPR is the largest stockpile of government-owned emergency crude oil in the world and provides the United States with an emergency source of petroleum to reduce the impacts of oil supply disruptions and to carry out the obligations of the United States under the International Energy Program. Established in the aftermath of the 1973-74 oil embargo, the SPR provides the President with a powerful response option should a disruption in commercial oil supplies threaten the U.S. economy. It also allows the United States to meet part of its International Energy Agency obligation to maintain emergency oil stocks, and it provides a national defense fuel reserve.

The SPR has been used a number of times as an emergency response tool, including during Operation Desert Storm in 1991, the aftermath of Hurricanes Katrina and Rita 2005, in January 2006 when the Sabine Neches shipping channel was blocked, and in June when the Calcasieu ship channel near Lake Charles, LA, was closed due to release of storm water and oil into the channel.

Adding to the current Reserve will happen in stages over the next two decades to coincide with the construction and expansion of our facilities. DOE's goal is to have the expansion completed by 2027.